

To: The Future Oxfordshire Partnership

Title of Report: Oxfordshire Housing and Growth Deal: Update at the end of Quarter 2 2024/25

Date: 26 November 2024

Report by: Deputy Chief Executive and Executive Director of Resources (Section 151 Officer), Oxfordshire County Council
(Accountable Body)

Status: Open

Executive Summary and Purpose:

The purpose of this report is to update the Future Oxfordshire Partnership (FOP) on progress and spend for schemes included as part of the Oxfordshire Housing and Growth Deal. The report provides updates on the following funding streams as at the end of Quarter 2 for 2024/25:

- Housing from Infrastructure (Hfi) programme
- Growth Deal Capacity Fund

The report is prepared by the Executive Director of Resources for Oxfordshire County Council in the capacity of Section 151 Officer of the Accountable Body for the Oxfordshire Housing and Growth Deal and gives assurance over the grant funding and expenditure.

How this report contributes to the Oxfordshire Strategic Vision Outcomes:

The Oxfordshire Housing and Growth Deal has a key role to play in delivering well-designed infrastructure and homes, sufficient in numbers, location, type, size, tenure, and affordability to meet the needs of the county, as set out in the [Oxfordshire Strategic Vision](#).

Recommendation:

The Future Oxfordshire Partnership are asked to note the financial position as at the end of September 2024.

Appendices:

Annex 1: Housing from Infrastructure (Hfi) Programme. (finance)
Annex 2: Schemes status & milestones, including overall housing numbers

1. Introduction

1.1 This report sets out the financial position for the remaining two strands of the Oxfordshire Housing and Growth Deal as at the end of September 2024.

- Housing from Infrastructure (Hfi) Programme.
- Growth Deal Capacity Fund.

1.2 Housing numbers were shared in the report to the Future Oxfordshire Partnership in August 2024 and the Q2 updated figures provided by the district and city councils are part of this report. (Annex 2)

1.3 The report is prepared by the Executive Director of Resources for Oxfordshire County Council (the County Council) in the capacity of Section 151 Officer of the Accountable Body for the Oxfordshire Housing and Growth Deal and gives assurance over the grant funding and expenditure.

2. Oxfordshire Housing and Growth Deal Fund Financial Governance

2.1 In accordance with the Oxfordshire Housing and Growth Deal Delivery Plan, the County Council is the accountable body for the financial management of the remaining two financial streams. A quarterly report is provided to the Future Oxfordshire Partnership.

2.2 The Terms of Reference and Memorandum of Understanding for the Future Oxfordshire Partnership have been updated to reflect the conditions set out by the Department for Levelling Up, Housing & Communities ([DLUHC](#)) in [December 2022](#).¹ Specifically in relation to the Homes from Infrastructure programme, being the remainder of the Oxfordshire Housing and Growth Deal, Oxfordshire County Council shall:

- make all decisions on the allocation of the remaining grant funding agreed by Government.
- prioritise and allocate funding and be accountable for the delivery of projects funded by this funding stream.
- act reasonably and in good faith, modelling positive partnership behaviour specifically by making no changes to the programme without careful consultation with affected district partners, and by not seeking to remove schemes from the programme or to reduce their scope as long as they remain on track for delivery on time and within budget.

2.3 The County Council also holds the risk should Government require funding to be repaid if it is unspent or deemed to have been misused.

¹ See Item 6 of the agenda for the Future Oxfordshire Partnership on 20 March 2023.

3. Expenditure as at the end of Quarter 2 2024/25 and update on scheme progress

3.1 Housing from Infrastructure Programme

- 3.1.1 £150.0m grant funding supporting the Housing from Infrastructure Programme was agreed on the basis it would accelerate the provision of at least 6,549 planned homes that might not otherwise have come forward at this pace. The programme comprises schemes covering road, rail, cycle routes and footpaths, as well as a school. Schemes may be either fully or part funded via the programme.
- 3.1.2 £120.0m of the grant funding was received by the end of 2021/22. The remaining £30m will need to be claimed retrospectively and is subject to the conditions set out by [DLUHC in December 2022](#).² In response to this letter, and following discussions with the Future Oxfordshire Partnership, Oxfordshire County Council wrote to DLUHC and Homes England in March 2023 confirming acceptance of the final funding and agreement to the associated governance and reporting requirements.
- 3.1.3 Grant funding of £142.7m is expected to be used to support capital expenditure and £7.3m has been used to fund revenue costs associated with the Infrastructure programme.
- 3.1.4 In accordance with the new conditions, funding already received along with amounts available as a result of previous funding switches has to be utilised before the remaining £30m growth deal funding can be claimed. These switches, for which alternative funding sources were in place, amount to £49m. This means that spend of £169m in total must be demonstrated before any further funding can be claimed.
- 3.1.5 Annex 1 sets out the total expenditure on the capital element of the Growth Deal programme up to 31 March 2024 (excluding previous funding switches) of £97.2m which includes prepayments to third party delivery partners compared to the capital funding received to date of £112.7m (£120m less £7.3m revenue funding).
- 3.1.6 To utilise all of the grant funding a further £44.0m needs to be spent in 2024/25. This excludes £1.5m which will be retained for safety audits and other residual scheme expenditure after 31 March 2025. Expenditure to the end of Quarter 2 of 2024/25 was £11.5m compared to £5m at the end of Quarter 1. It is anticipated that a claim against the remaining £30m will be made based on the Quarter 3 position.
- 3.1.7 Because of the 31 March 2025 deadline, grant funding has been prioritised towards schemes entering construction phase that can meet the grant deadline and have other funding sources that can be utilised after the grant deadline.

² See Item 6 of the agenda for the Future Oxfordshire Partnership on 20 March 2023.

3.1.8 Annex 1 sets out the grant allocation against each scheme. Due to the latest cost plans, budget approvals and individual scheme contingency provision, the overall programme is currently over-profiled by £0.557m a reduction of £0.132m compared to the reported position for Quarter 1.

3.2 Scheme delivery update and risk management

3.2.1 Current construction projects include Banbury Road Roundabout (anticipated completion February 2025), Benson Relief Road (anticipated completion Autumn 2024), Woodstock Road Corridor (anticipated completion Spring 2025), Padbury Roundabout (anticipated completion February 2025) and Tramway Road.

3.2.2 With the recent completion of Kidlington Roundabout and Wantage Eastern Link Road, the total number of delivered schemes has reached 10, alongside several concluded development projects.

3.2.3 Construction contracts have been agreed and entered into for Abingdon, Lodge Hill and Steventon Lights with work on site to commence imminently, with construction for Access to Witney still programmed to commence end of November.

3.2.5 An update on all ongoing projects, including any changes approved through the County Council's capital governance process, will be provided as part of the 2024/25 quarterly reports to FOP.

3.3 Growth Deal Capacity Fund

3.3.1 The Growth Deal Capacity Fund totals £5.0m. The first instalment of £0.5m was received in 2017/18, followed by £2.5m in 2018/19 and £2.0m in 2019/20.

3.3.2 The funding was expected to be used over the life of the programme which was originally planned to run from 2017/18 to 2022/23. Costs expected to be met from the Capacity Fund were:

- Housing Delivery: Staff costs for the core Housing and Growth Deal team.
- Delivery of the Oxfordshire Joint Statutory Spatial Plan including staff costs.
- Feasibility: costs of feasibility works including Rail Connectivity Study (part funding) and Oxfordshire Infrastructure Strategy (OxIS) refresh.

3.3.3 At each year end, funding that has not been spent has been carried forward through the County Council's earmarked reserves.

3.3.4 The cumulative actual spend up to 2023/24 was £3.841m. The remaining available balance held by Oxfordshire County Council as at 1 April 2024 is £1.159m. Agreed commitments total £0.8m (includes £0.6m towards the Local Area Energy Plan) with actual spend of £0.074m to the end of September 2024.

3.3.5 Business cases are also in progress for other provisions including the provision of resources to promote and facilitate community led housing projects. If all of these business cases are approved, then most of the remaining capacity fund will have been committed.

4. Financial Implications

- 4.1 The report sets out the financial update at the end of Quarter 2 of 2024/25 for the remaining two strands of the Oxfordshire Housing and Growth Deal and an update on the latest position with the remaining schemes in the programme. The following paragraphs relate to the Infrastructure Programme.
- 4.2 With the inclusion of prepayments, the remaining recycled funding totalling £15.5m as at 31 March 2024 needs to be fully utilised in 2024/25 before any further grant funding can be claimed. At the end of Quarter 2 2024/25, expenditure of £11.5m has been incurred during 2024/25. Expenditure is expected to increase significantly in the remainder of the year reflecting contracts that have now been entered into or where construction is underway and spend not yet invoiced at the end of quarter 2.
- 4.3 Since the Housing & Growth Deal Grant funding will not be available beyond the 2024/25 financial year, action will be taken by Oxfordshire County Council as the Accountable Body, in consultation with the relevant district as appropriate, to manage the programme to ensure that any increases in project/programme spend can be met within the available funding and that there is no unfunded spend after 31 March 2025. Also, as the funding is currently overprogrammed to maximise potential spend, changes to grant funding allocations will have to be determined in future reports to FOP to bring the programme to a balanced position. Also, as each scheme contains a level of contingency this will also need to be reviewed.

5.0 Legal Implications

- 5.1 In accordance with the Oxfordshire Housing and Growth Deal Delivery Plan, the County Council is the accountable body for the financial management of the two remaining key financial streams.
- 5.2 Revised Terms of Reference and the Memorandum of Understanding were endorsed by the Future Oxfordshire Partnership on 13 June 2023 and approved by all of the constituent local authorities during July 2023.
- 5.3 There are no legal implications arising directly from this report.

6.0 Conclusion

- 6.1 This report sets out an update on the actual and forecast spend against the Oxfordshire Housing and Growth Deal funding streams at the end of Quarter 2 2024/25.
- 6.2 The Future Oxfordshire Partnership is asked to note the updates set out in the report.

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